

MR. REED: Hell. My name is Matt Reed. I'm the Public Lands Director with High Country Conservation Advocates in Gunnison County.

Since 1977, our organization has been protecting public lands in Western Colorado. Thank you for accepting public input today. And thank you initiating a comprehensive review of the Federal program -- Federal Coal Program.

Gunnison County is home to the West Elk Coal Mine, operated by Mountain Coal Company, or MCC, which is a subsidiary of Arch Coal. For years, MCC has been the beneficiary of reduced royalty rates for two coal leases at the West Elk Mine.

MCC is currently seeking the renewal of its royalty reduction from the BLM. A request that would cut by 37.5 percent the royalties that would otherwise remit to Federal, State, and local taxpayers.

This reduction would continue to deprive Gunnison County of money that it would otherwise receive. Despite this request for continued royalty payment reduction, Arch Coal paid its executives \$8 million in bonuses this January. Now, that's approximately the same amount that the State of Colorado estimated in 2012. The Colorado taxpayers would have to give up, under Arch's previous royalty relief request, for the exact same leases.

Arch had the wherewithal to mind these leases without reducing the payments that Gunnison County taxpayers deserve under law. In fact, it's doing so right now. Under the current Federal Coal Leasing Program, Gunnison County taxpayers are being shortchanged to line the pockets of coal executives. This exemplifies the need for Federal coal leasing reform to address and correct abuses of the system.

If we're going to continue to have coal mining in Colorado, we need communities to get their fair share of royalties. Otherwise, mining executives in St. Louis will have shortchanged the communities and left them with the difficulties of transition. Thank you.